

highlights

a weekly digest of recently released British Columbia statistics

Population

- A total of 9,476 immigrants to Canada indicated that BC was their destination during the first quarter of 2002. This compares to 9,388 persons landed during the first quarter of 2001. BC's share of total Canadian immigrants continued to decline, falling from 16.1% to 15.5% between the two periods.

The province was the third most popular destination for immigrants in the first quarter. Ontario (36,082) received the greatest number of immigrants, followed by Quebec, which was the stated destination of 9,696 of the 61,305 immigrants landed in Canada during the first quarter.

Source: BC STATS

The Economy

- Shipments of goods manufactured in the province increased 0.6% (seasonally adjusted) between March and April, marking the fourth consecutive monthly gain after a year of declines. The increase came primarily from the non-durables sector (+4.6%) where shipments of wood products were up 3.5%. In the computer and electronic products industry, shipments rose 4.7% after expanding 10.1% in March. On the non-durables side, the picture was not as rosy. Overall shipments were down 5.4%, largely due to a 12.5% drop in the value of paper shipments. Producers of petroleum and coal (-10.4%), chemicals (-2.2%) and plastics and rubber products (-1.3%) also suffered declines. Food shipments showed modest growth (+0.5%).

Nationally, the value of shipments rose 5.0%, as manufacturers in every part of the country made gains. BC's 0.6% increase was the weakest in the country. Saskatchewan (+11.2%) and PEI (+10.3%) both chalked up substantial increases,

while the territories posted a 15.8% gain.

Source: Statistics Canada

- Exports of BC products were 17.9% lower this April than in the same month last year. Forest exports were down 7.4%, and energy exports fell sharply (-59.5%) as gas prices, which had soared in early 2001, dropped back to levels closer to the long-run average. BC exporters of agriculture and fish products saw shipments fall 5.9%. On a more positive note, exports of automotive products (+11.5%) industrial products (+3.6%), consumer goods (+3.6%) and machinery and equipment (+1.3%) were all higher than a year earlier.

Canadian exports dropped 3.0% in April, as exports fell in three of the four biggest provinces. Alberta's exports plummeted (-21.4%), largely because of a 27.5% decline in the dominant energy sector. In Quebec, the value of exports was pulled down (-2.5%) by machinery and equipment (-12.7%). Ontario manufacturers also exported less (-5.2%) of these products, but saw a 4.2% increase in total exports which was driven by the automotive sector (+9.5%). Newfoundland (+68.0%) continued to ride the wave of new offshore energy production.

Source: Statistics Canada

- Sales by retailers in the province bounced back in April, increasing 0.9% (seasonally adjusted) after falling (-0.7%) in the previous month. Cash registers were kept busy as consumers dug deeper into their pockets, spending more on clothing, furniture, autos and other consumer durables. Total sales were up 1.0% nationally, reflecting gains in most parts of the country. Yukon (-9.4%), New Brunswick (-3.8%) and Nova Scotia (-1.6%) were the only regions where sales dropped below March levels.

Did you know...

Most of the 10 million Canadians who work full-time sleep in on Saturdays. But they don't stay in bed too long. By 9 am, 80% are up and at it. One in five starts the weekend off by doing household chores.

Manitoba (+4.5%) posted the strongest increase.

Source: Statistics Canada

- **Wholesale sales in British Columbia were up 4.0% (seasonally adjusted) in April as BC recorded the strongest sales increase of any province.** Wholesalers of automotive and computer, software and electronic products posted strong gains. Canadian sales were up 2.4%. New Brunswick (-0.9%) and Saskatchewan (-0.7%) were the only provinces where sales weakened in April. In the north, sales jumped 9.1% in Yukon, but fell sharply in NWT (-12.0%) and Nunavut (-9.9%).

Source: Statistics Canada

- **Corporate operating profits of Canadian firms rose for the first time in more than a year during the first quarter.** Operating profits reached \$34.7 billion, up 9.0% (seasonally adjusted) from the last quarter of 2001. Non-financial industries (+9.9%) posted the strongest increase, led by strong gains in transportation and warehousing (+23.8%) and manufacturing (+18.4%). Despite the effect that economic instability in South America had on the bottom lines of some big banks, financial industries saw operating profits expand 6.2%.

Source: Statistics Canada

Foreign Control in the Canadian economy

- **Nearly a quarter (22%, or \$794.3 billion) of the assets held by enterprises operating in Canada were under foreign control in 1999.** Foreign-owned companies generated \$604.9 billion in operating revenues, nearly 30% of the total. US-owned firms controlled 60% of the assets and earned 69% of the revenues of these companies. Foreign ownership is most prevalent in manufacturing (47% of assets and 52% of revenues) and in oil and gas extraction and coal mining (44% of assets and 53% of revenues)

Source: SC, The Daily

Home Ownership

- **High housing costs in this province haven't deterred British Columbians from purchasing homes.** Sixty-nine percent of households in BC owned their homes in 2000, and half of them were mortgage-free. The Canadian average was 67%. Homeownership was most prevalent in the prairies and Atlantic Canada, where three-quarters of all households owned their homes.

Quebec (58%) had the lowest incidence of home ownership in the country. One in seven homes needed major repairs or was too small for the household living in it.

Source: SC, Catalogue 75-001-XIE

Holding down multiple jobs

- **In any given month, about 6% of Canadians are multiple jobholders.** Holding down multiple jobs is not a long-term activity for most people. The median duration of the first spell for all multiple jobholders in 1996 was 8 months. Six in 10 multiple jobholders kept up the practice for a year or less: 40% for 1 to 6 months and 17% for 7 to 12 months. Another 15% stopped moonlighting somewhere between 13 months and 2 years. However 1 in 10 multiple jobholders in 1996 had worked at more than one job for at least four years. What's more, of the 1.1 million multiple jobholders in 1996 who stopped before reaching the four-year mark, almost a third resumed the practice at least once before 1999. The median age of multiple jobholders was 33 in 1996, compared to a median of 38 for single jobholders. However, those who continued the practice over a longer term tended to be older. Long-term multiple jobholders were most likely to choose the arrangement because they enjoyed the work; among younger, shorter-term moonlighters, the reason given was more likely to be meeting household expenses or paying off debts.

Source: SC, Catalogue 75-001

Tourism

- **The number of travellers entering Canada via BC fell 0.9% (seasonally adjusted) between March and April.** There were fewer entries of nonresidents from both the US (-0.6%) and overseas (-2.7%). The number of non-resident entries began to decline early last year, but was showing signs of a possible turnaround prior to September 11th. The immediate effect of the terrorist attacks has been partly reversed, but entries remain well below last year's levels. Total travel to Canada was down 0.9% in April, with the number of trips from overseas countries falling 3.3% while US entries decreased 0.6%.

Source: SC & BC STATS

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Chile Warms up to Trade with Canada

In addition to the North American Free Trade Agreement, Canada also has bilateral free trade agreements with other countries. One such country is Chile, which signed a free trade agreement with Canada in July 1997. The benefits to Canada included the immediate elimination of an 11% duty on the majority of Canadian resource-based and industrial products. The remaining tariffs will be phased out by this year.

In terms of commodity trade, exports to Chile make up a very small part of Canada's overall exports (0.1%) and only a slightly higher proportion (0.2%) of BC origin exports. However, there is significant trade in services with Chile. For example, there are several Canadian mining companies operating in Chile using knowledge gained from developments in Canada.

Chile is regarded as an attractive location for foreign direct investment. The political and social climate is stable and there is an effective justice system and therefore little threat of corruption. Chile's population is well educated, negating the need to import qualified workers. The economy is healthy with a modern technological infrastructure and there are few bureaucratic impediments to investment. In fact, laws prohibiting discrimination and insuring equal treatment for national and foreign investors protect foreign investment. Chile is also seen as a gateway to other markets in South America.

Canada's direct investments in Chile have dramatically increased, such that Canada now ranks second only to the United States in terms of approved investment in Chile¹. Although the mining sector is where the majority of foreign investment is directed, there are other emerging areas, such as energy, communications and financial services.

Unfortunately, there is very little data available with regard to trade in services, mostly due to the intangible nature of services and the measurement difficulties this creates. In terms of commodity trade, although exports to Chile make up only a small percentage of total BC and Canada exports, it is still the most important South American destination for BC products with the exception of Brazil. For Canada as a whole, exports to Venezuela also exceed those to Chile.

In 1999, the most recent year for which world trade data is available, Canadian goods represented 2.9% of Chile's imports, ranking Canada as the 11th most significant origin for imports

PROFILE OF CHILE

- **Capital** Santiago
- **Government** Republic
- **Language** Spanish
- **Currency** Chilean peso (ChP)
- **Area** 756,945 sq. km
- **Population** 15.3 million (2001)
- **Work force** 5.9 million
- **GDP** US\$73.4 billion (2001)
- **Annual real GDP growth** 2.8%
- **GDP Per Capita** US\$4,800

Source: U.S. Department of State

Canada is behind only the United States for the amount of foreign investment in Chile

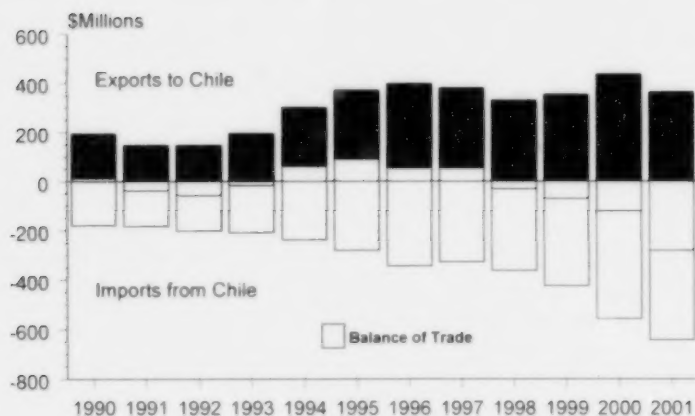
Chile is the second largest supplier of fruit to Canada

¹ Canada Department of Foreign Affairs and International Trade.

into Chile. Canada ranked 20th in terms of destinations for exports from Chile, taking in 1.2% of Chilean exports. The main products Canada imports from Chile are ores and fruit. In fact, Chile has become Canada's second largest supplier of fruit after the United States. Chile's main commodity export is copper, which comprises about 40% of total international exports. Imports vary from year to year, but oil, motor vehicles and high technology equipment usually top the list.

From 1990 to 2001 two-way trade between Canada and Chile

Since signing the free trade agreement with Canada, the balance of trade has shifted in Chile's favour



Canada's trade balance with Chile has shifted into a deficit position since the signing of the bilateral free trade deal

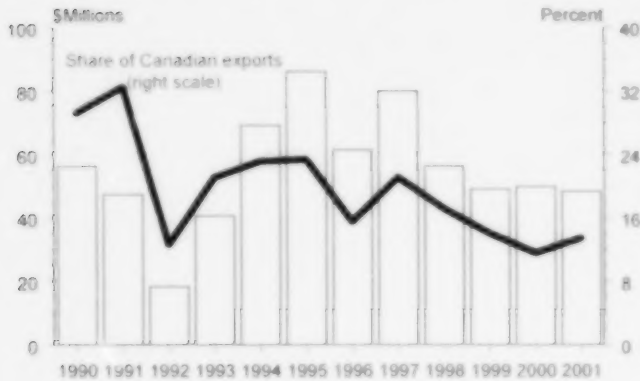
has grown substantially, increasing 169% to just over a billion dollars. Although exports from Canada to Chile almost doubled in that period (+87%), it was imports of Chilean products that were responsible for much of the growth in trade. Imports from Chile grew 256% from 1990 to 2001. The growth in the value of products imported from Chile into Canada has accelerated since the signing of the trade deal in 1997, while exports have been relatively flat. As a result, the balance of trade, which was in Canada's favour in the mid-nineties, has shifted toward Chile and the trade deficit for Canada continues to grow.

For British Columbia, exports to Chile have actually declined since the trade deal was signed. In fact, BC's share of Canadian exports to Chile, which was at over 30% in 1991, has slipped to less than half that in recent years. Exports of coal to Chile were unusually high from 1995 to 1998 and have fallen back to pre-1995 levels, which is responsible for part of the drop. Another significant change in BC exports to Chile is in shipments of molybdenum, which have dropped from around \$10 million in the early nineties to zero from 1996 onward. Chile has the world's largest deposits of molybdenum, as well as substantial coal deposits, so presumably, the drop-off in imports of these products

BC origin exports to Chile have actually declined since the signing of the free trade agreement

from BC is due to an increase in mining of its own domestic reserves. There is also the fact that these products are used in steel production and the demand for steel has fallen off in recent years, particularly in markets in Asia where the economy has sputtered for several years now.

BC's exports to Chile have actually fallen since signing the free trade agreement



BC's share of Canada's exports to Chile has fallen significantly since 1991

In 2001, British Columbia was responsible for just over 13% of Canada's total commodity exports to Chile, ranking fifth among the provinces. This is compared to 1990 when BC ranked second with 29% of Canada's exports to Chile, compared to 30% for Ontario.

BC ranks fifth among provinces for value of exports to Chile



BC's share of Canada's exports to Chile has fallen significantly since 1991

Coal is the one of most significant exports to Chile from Canada, and is also the top BC origin export. Of all Canadian coal shipped to Chile, approximately 30% is from BC. Other large exports from BC are forest products such as pulp, paper and wood. Machinery and equipment, particularly related to mining, is another product in high demand in Chile, and is supplied from both BC and other provinces. Other significant exports from the rest of Canada include wheat and fertiliser.

It may appear that Chile has benefited to a larger degree than has Canada from the free trade agreement, at least in terms of commodity trade. However, the lack of increased exports to Chile following the implementation of the trade agreement is probably due to the continuing appreciation of the Canadian dollar against the Chilean Peso, which has made Canadian products less attractive in terms of price compared to domestic alternatives. In the long run the free trade deal with Chile should prove beneficial to both countries, but Canada has a window of opportunity now, while its main competitors like the United States are without a free trade deal, to make inroads into Chile's marketplace.

**2001 Exports to Chile
- Selected Commodities -**

	BC (\$,000)	% of Total	Canada (\$,000)	% of Total	BC Percent of Canadian Exports
SOLID WOOD PRODUCTS	3,450	7%	4,676	1%	74%
Lumber (softwood)	1,125	2%	1,131	0%	99%
Plywood (softwood)	83	0%	83	0%	100%
Selected Value Added Wood Products	131	0%	1,192	0%	11%
other	2,111	4%	2,270	1%	93%
PULP AND PAPER PRODUCTS	15,576	32%	46,584	13%	33%
Pulp	3,918	8%	3,918	1%	100%
Newsprint	244	1%	2,566	1%	10%
Paper, Paperboard - exc. Newsprint	8,191	17%	35,906	10%	23%
other	3,222	7%	4,193	1%	77%
AGRICULTURE AND FOOD OTHER THAN FISH	331	1%	74,853	21%	0%
Fruit and Nuts	0	0%	44	0%	0%
Vegetables	101	0%	6,685	2%	2%
other	229	0%	68,123	19%	0%
FISH PRODUCTS	0	0%	32	0%	0%
METALLIC MINERAL PRODUCTS	0	0%	883	0%	0%
ENERGY PRODUCTS	9,478	20%	31,746	9%	30%
Coal	9,319	19%	31,144	9%	30%
other	159	0%	602	0%	26%
MACHINERY AND EQUIPMENT	14,010	29%	116,563	32%	12%
Motor Vehicles and Parts	805	2%	9,607	3%	8%
Electrical/Electronic/Communications	3,147	7%	40,325	11%	8%
other	10,059	21%	66,631	18%	15%
PLASTICS AND ARTICLES OF PLASTIC	462	1%	12,080	3%	4%
APPAREL AND ACCESSORIES	0	0%	42	0%	0%
ALL OTHER COMMODITIES	5,053	10%	73,446	20%	7%
GRAND TOTAL	48,359	100%	360,904	100%	13%



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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)		
	Jan 1/02	% change on one year ago
BC	4,108.0	0.9
Canada	31,185.8	0.9
GDP and INCOME		
(BC - at market prices)	2001	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	130,396	2.2
GDP (\$ 1997 millions)	125,534	0.9
GDP (\$ 1997 per Capita)	30,648	-0.1
Personal Disposable Income (\$ 1997 per Capita)	19,177	0.8
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) Apr	2,873	-1.9
Merchandise Exports (raw) Apr	2,553	-17.9
Retail Sales (seasonally adjusted) Apr	3,325	7.0
CONSUMER PRICE INDEX		
(all items - 1992=100)	May '02	% change on one year ago
BC	118.1	2.2
Canada	118.6	1.0
LABOUR FORCE (thousands)		
(seasonally adjusted)	May '02	% change on one year ago
Labour Force - BC	2,145	1.5
Employed - BC	1,942	-1.3
Unemployed - BC	203	39.4
		May '01
Unemployment Rate - BC (percent)	9.5	6.9
Unemployment Rate - Canada (percent)	7.7	7.0
INTEREST RATES (percent)		
	Jun 19/02	Jun 20/01
Prime Business Rate	4.25	6.25
Conventional Mortgages - 1 year	5.55	6.70
- 5 year	7.25	7.75
US/CANADA EXCHANGE RATE		
	Jun 19/02	Jun 20/01
(avg. noon spot rate) Cdn \$	1.5414	1.5308
US \$ (reciprocal of the closing rate)	0.6490	0.6518
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	May '02	% change on one year ago
BC	670.27	3.2
Canada	650.33	2.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada
 Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
 For latest Weekly Financial Statistics see www.bankofcanada.ca

2001 Provincial Economic Accounts

New on our Internet Site

The Economic Accounts framework views the provincial economy through the lens of the rigorous methodology endorsed by international organizations and Statistics Canada. Though our analysis and preparation is not yet complete, over the next two weeks interested readers will find a growing array of updates on this data at:

www.bcstats.gov.bc.ca/data/bus_stat/bcea/bcea.htm

Released this week by BC STATS

- Consumer Price Index, May 2002
- Immigration Highlights, First Quarter 2002
- Tourism Sector Monitor, June 2002

Next week

- Small Business Quarterly, First Quarter, 2002
- Exports, April 2002
- Migration Highlights, First Quarter, 2002
- Business Indicators, June 2002
- Current Statistics, June 2002